

HR
Top Secret



National Intelligence Bulletin

Top Secret

25X1

March 16, 1976

Nº 699

DIA and DOS review(s) completed.

25X1

Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

National Intelligence Bulletin

March 16, 1976

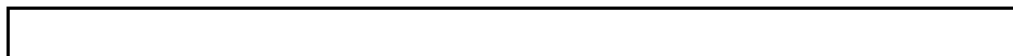
CONTENTS

LEBANON: Plans to force Franjiyah out have bogged down	1
CANADA-INDIA: Agreement on nuclear aid initialed	3
USSR-EGYPT: Tass on Cairo's abrogation of the friendship treaty	4
PORTUGAL: Socialists annoy Popular Democrats and Communists	5
CHINA: Conflicting reports on Teng's status	6
FRANCE: Socialists make sharp gains in cantonal elections	7

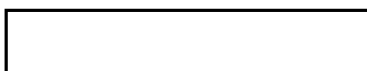


25X1

PHILIPPINES: Shakeup in the armed forces	12
---	----



25X1



25X1

National Intelligence Bulletin

March 16, 1976

LEBANON

Brigadier Ahdab's effort to force President Franjiyah out of office has bogged down, and his backers are divided on what to do next.

Rebel army leader Ahmad Khatib and Socialist leader Kamal Jumblatt apparently would use their militia forces to attack the presidential palace, but are being held back by mainline fedayeen and Palestine Liberation Army forces. These Palestinian groups generally back Ahdab, but hope to keep the current political impasse from turning into a new round of heavy fighting.

The Lebanese army high command still backs Ahdab,

25X1

The high command has been unable even to agree on the wording of a joint statement calling for Franjiyah's resignation.

Ahdab's followers are also divided on whether to establish a new governing body such as the military command council promised late last week. Some Christian military officers oppose the idea because they favor immediate election of a new Christian president; some civilians, like Jumblatt, oppose it because they dislike any of the trappings of military rule.

Although it is possible that Ahdab will try to ignore these differences among his supporters and attempt to dislodge Franjiyah with force, it is increasingly likely that he will instead await the outcome of a new mediation effort by the Syrians.

A Phalanges Party leader representing his group and the National Liberal Party reportedly visited Damascus yesterday, as did Yasir Arafat of the Palestine Liberation Organization.

25X1

According to a Beirut newspaper with good contacts in Syria, Damascus is attempting to put together another political package that would provide for a general amnesty, reconstruction of the Lebanese army under the high command, and a new civilian government that would implement the Syrian-sponsored political agreement announced last month. Franjiyah would be considered "not affected by" the petition demanding his resignation, but would voluntarily step down.

National Intelligence Bulletin

March 16, 1976

If the Lebanese politicians can reach agreement on a successor to Franjiyah—still their primary worry—it is likely that they would accept this or some similar solution proposed by Syria. Franjiyah remains unyielding in public, but is believed privately to be willing to resign if a compromise is worked out that is satisfactory to Christian leaders Pierre Jumayyil and Camille Shamun.

If no political solution is found, it is likely that the already strained security situation will deteriorate steadily toward civil war, as it did in January. This almost certainly would lead to an attempt by the Christians to partition the country, and possibly to direct military intervention by Syria.



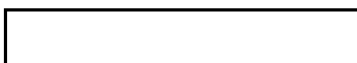
25X1

Ahdab yesterday denied that any Syrian troops have entered Lebanon. He charged that reports of Syrian military involvement in Lebanon are designed only "to cause confusion and disturb unity."

Attempts by the US defense attache in Damascus to determine the readiness of Syrian ground force units have been inconclusive. A Syrian Foreign Ministry official told a US embassy officer yesterday that the Syrian army was placed on alert last Saturday, but the attache has observed only minor military activity that could be considered unusual.



25X1



National Intelligence Bulletin

March 16, 1976

CANADA-INDIA

New Delhi and Ottawa initialed a nuclear aid agreement on March 6, which, if ratified, will commit India not to test for over a year. The agreement calls for a resumption of Canadian assistance for the Rajasthan Nuclear Power Project. Canada suspended aid to this project after India detonated its first nuclear device in 1974.

Under the agreement, the Rajasthan project is to be completed within 15 months of ratification by the two governments, and New Delhi has implicitly agreed not to test during this period. The Indians also accepted Canada's safeguards requirements on the Rajasthan reactors and gave an oral assurance that India does not intend to export explosive material or technology.

Three senior officials in Ottawa have [] indicated that they expect difficulties in securing the final approval of the Canadian cabinet. It seems unlikely, however, that Ivan Head, leader of the Canadian delegation and Prime Minister Trudeau's principal foreign affairs adviser, would have initialed a document that he thought the cabinet would reject.

25X1

Moreover, the Indians conceded on most of the major points sought by the Canadians. To push the Indians further would be to risk termination of all future safeguards on the Rajasthan reactors. It is clear, however, that the opposition parties will be critical when the agreement goes to Parliament for ratification.

The head of the Indian Department of Atomic Energy recently told US officials that India has been conducting site surveys in preparation for a second test. India apparently intends to test again and may be in a position to do so after the 15 months have elapsed, or even earlier if the agreement is not ratified. []

25X1

25X1



National Intelligence Bulletin

March 16, 1976

USSR-EGYPT

Tass yesterday issued a short, straightforward statement on Egypt's abrogation of its friendship treaty with the USSR that reads like a holding piece until Moscow determines how to react.

Not surprisingly, the statement blames President Sadat for the decline in Soviet-Egyptian relations. It describes the abrogation as a new manifestation of an "unfriendly" policy toward the USSR that Sadat has been pursuing for a long time. The text asserts that Sadat has only put a "juridical seal" on a situation in which the treaty was not functioning.

This suggests Moscow may be inclined to play down the significance of abrogation. The Tass statement makes no explicit or implicit threat. Regarding the future, Tass falls back on the platitude that the USSR will continue to work for friendly relations with Cairo and the Egyptian people.

An earlier broadcast in Arabic from Moscow blamed external and internal reactionary forces for the deterioration in Soviet-Egyptian relations and for Cairo's turning away from Nasir's "socialist" path. It also included an implied appeal to the Egyptian military, asserting that internal forces were responsible for Egypt's weakened military capability.

National Intelligence Bulletin

March 16, 1976

PORTUGAL

The Portuguese Socialist Party launched its campaign for the parliamentary election on April 25 with a display of European Socialist solidarity in Porto this past weekend, but the Socialists may have paid a high price in terms of future cooperation with the rival centrist Popular Democratic Party.

Seeking to capitalize on his status as the most effective advocate of Portugal's interests abroad, Socialist leader Mario Soares hosted a meeting of Europe's most prominent Socialist and Social Democratic leaders. Taking their cue from an appeal by Soares for a better economic deal for Portugal, the assembled leaders—including heads of government from the Netherlands, Sweden, Norway, and Austria and party leaders from West Germany, France, Italy, and Spain—responded by promising to work for increased assistance to Portugal's beleaguered economy.

Although Soares skillfully manipulated the meeting for his own political ends, he also managed to alienate the Popular Democrats, partners of the Socialists in the present government of Prime Minister Azevedo and possible partners in a future coalition.

Charging that the Porto meeting constituted unwarranted foreign interference in Portuguese domestic politics, Popular Democratic leader Francisco Sa Carneiro lodged formal complaints with the embassies of the countries involved. His strong protests undoubtedly prompted Prime Minister Azevedo's last-minute decision not to attend.

Followers of the two parties clashed in the streets of the northern city and at the Porto airport. In both cases, Socialists reacted violently to attempts by Popular Democrats to launch their own demonstrations, which the Socialists saw as an attempt to detract from the international gathering.

Although Sa Carneiro said on Saturday that the door was still open to cooperation with the Socialists in a post-election coalition, the Popular Democrats' conditions for such cooperation are now likely to harden.

The Communists also protested the Socialist meeting, albeit in much milder terms than the Popular Democrats. Communist Party leader Alvaro Cunhal said that the meeting was "in bad taste" and that it was an attempt to pressure the voters prior to the election.

The guarded nature of Cunhal's comments, made at a national party conference, reflect his current strategy of attempting to draw closer to the Socialists in hopes of achieving an election alliance—a strategy that the conference formally reconfirmed. Cunhal said that this was the only way to ward off a return to fascism and that an election victory by the Popular Democrats and the center-right Social Democratic Center would plunge the country into "a dark night of terror and blood."

National Intelligence Bulletin

March 16, 1976

CHINA

There have been a number of reports—some of them conflicting—that Teng Hsiao-ping has lost one or more of his positions.

[redacted] posters have been displayed on major streets there claiming that Teng has been dismissed from all posts except those he holds within the Chinese Communist Party. If true, Teng has lost his jobs as chief of staff and as vice premier in the government, but is still a vice chairman of the party and presumably of the party's military commission.

[redacted] Peking has issued directives, one announcing that Teng has lost his job as army chief of staff, and another that he has lost that job as well as his party post as vice chairman of the military commission.

The last-mentioned directive would seem to conflict with the statement in the posters that Teng retains his positions in the party. The posters apparently do not make reference to a directive on the subject. There have also been conflicting reports as to who, if anyone, has replaced Teng as chief of staff. Given the attacks on him, it is possible that the reports reflect rumors rather than official party decisions.

[redacted]

National Intelligence Bulletin

March 16, 1976

FRANCE

The sharp gains posted by the Socialists in the two-round French cantonal elections that concluded Sunday will prompt debate and political reassessments within both the governing coalition and the opposition left alliance.

Nearly complete returns show the opposition winning 907 departmental council seats to 870 for President Giscard's majority coalition, with the Socialist Party collecting 498, more than twice the number of any other party. Although the balloting affected only about half the electorate, the left appears likely to increase the number of departmental councils it controls from 30 to about 42 of the 95 total.

The left appears to have benefited from growing public discontent over France's continuing high rates of inflation and unemployment and from the fact that this was the first election in which 18 year-olds were eligible to vote.

Socialist Party leader Francois Mitterrand, who campaigned hard, hails the election results as a sign of "great progress for the left." Communist Party leader Marchais sees the vote as a "serious warning shot for the government," but he shows concern over the continuing reluctance of Socialist voters to back Communist candidates in run-offs against centrist or conservative parties.

Government leaders, on the other hand, are saying publicly that the results are only a "light warning," as Justice Minister Lecanuet put it, and continue to emphasize the local nature of the contests. They point out that the opposition has traditionally done well in cantonal elections and that these contests have been notoriously poor signs of voter sentiment in legislative elections.

Both observations are true to some extent, but the Giscard government is taking the results more seriously than it is indicating in public. The government admits that its strategy of playing down the significance of the elections and of keeping government leaders out of the campaign was a mistake.

25X1

The cantonal results are likely to spark increased debate within the governing coalition. Giscard's Independent Republicans made substantial gains at the expense

25X1


Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

National Intelligence Bulletin

March 16, 1976

of the Gaullists, and is likely to engender increased defensiveness and suspicion of Giscard's political maneuvering among the Gaullists. Within the victorious left alliance, the Communists have already shown concern over Socialist gains—many of them at the expense of the Communists—and are likely to step up efforts to reassert themselves.



25X1

25X1

Next 1 Page(s) In Document Exempt

National Intelligence Bulletin

March 16, 1976

PHILIPPINES

In a private conversation with US officials last Friday, National Defense Secretary Enrile said eight generals, all overdue for retirement, are to be retired by the end of the month. This will be the first move to implement the military reorganization announced by President Marcos in mid-February.

Three of the four service commanders and five other generals will be retired. The service commanders, members of the group of 12 senior officers that implemented martial law in 1972, will probably be given high-level government sinecures so that their experience and loyalty will remain available to Marcos. The army and air force chiefs and several of the other generals, known for their graft, have been obvious candidates for removal for some time.

Their replacements are familiar members of the Marcos team, although honesty was evidently a factor in some of the selections, such as that for the new air force chief. General Espino, the armed forces chief of staff, also overdue for retirement, retained his position, probably because of the sensitivity of selecting a replacement. Major General Ramos, the most likely successor for Espino, remains chief of the constabulary.

Marcos had been hesitant to replace the loyal team of senior officers that implemented martial law. Discontent among middle-level officers with the lack of promotion opportunities and allegations of corruption against some of the generals probably underlie his decision to move at this time.

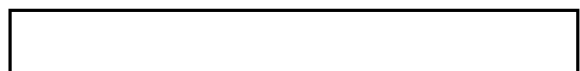
25X1

25X1

Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

Approved For Release 2007/03/07 : CIA-RDP79T00975A028700010028-3

Top Secret



25X1